

Supplementary Financial Information for the third quarter of fiscal year ending March 2018

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MARUBUN CORPORATION

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http://www.marubun.co.jp/en/ir_e/index.html (IR Website)

Information on future performance contained within this document material, such as the results forecasts, is based on the data available and assumptions judged to be reasonable as of when the Company prepared this document material.

Consolidated Statement of Income

(Millions of Yen)	FY2016 16/4-12 Results	FY2017 17/4-12 Results	Increase /Decrease
Net Sales	194,353	269,722	75,369
Electronic Devices	161,764	238,587	76,823
Electronic Systems	32,589	31,135	(1,454)
Cost of Sales	180,367	253,606	73,239
Gross Profit	13,986	16,116	2,130
Electronic Devices	9,094	11,178	2,084
Electronic Systems	4,892	4,937	45
Selling, general and administrative expenses	13,188	12,902	(286)
Personal expenses	8,200	7,766	(434)
Other	4,987	5,136	149
Operating income	797	3,213	2,416
Electronic Devices	(111)	2,004	2,115
Electronic Systems	917	1,216	299
Non-operating income	502	472	(30)
Equity in earnings of affiliates	331	296	(35)
Non-operating expenses	1,195	1,069	(126)
Foreign exchange losses	842	47	(795)
Ordinary income	105	2,616	2,511
Extraordinary income	2	6	4
Extraordinary loss	46	225	179
Income before income taxes and minority interests	61	2,396	2,335
Income taxes	44	835	791
Profit attributable to non-controlling interests	231	367	136
Profit attributable to owners of parent	(214)	1,193	1,407
Number of Employees	1,434	1,400	(34)
Gross Profit Margin	7.2%	6.0%	-
Electronic Devices	5.6%	4.7%	-
Electronic Systems	15.0%	15.9%	-
Operating Profit Margin	0.4%	1.2%	-
Electronic Devices	-	0.8%	-
Electronic Systems	2.8%	3.9%	-
Ordinary Profit Margin	0.1%	1.0%	-
Net Profit Margin	-	0.4%	-

Consolidated Sales by Segment

(Millions of Yen)	FY2016 16/4-12 Results	FY2017 17/4-12 Results	Increase /Decrease
Total Electronic Devices	161,764	238,587	76,823
Semiconductors	150,315	226,022	75,707
Analog IC	36,462	47,275	10,812
Standard Logic IC	3,285	2,472	(813)
Memory IC	16,894	16,124	(769)
Micro-Processor	15,379	10,835	(4,544)
Special-Use IC	69,430	139,989	70,559
Custom IC	8,165	8,719	555
Other	700	607	(93)
Electronic Components	11,449	12,565	1,116
Total Electronic Systems	32,589	31,135	(1,454)
Space & Defense Electronics	3,270	3,165	(104)
Measurement & Inspection Equipment	14,162	12,060	(2,102)
Scientific Equipment	554	614	60
Laser Equipment	3,558	4,616	1,058
Medical Equipment	11,044	10,679	(365)
Total Net Sales	194,353	269,722	75,369

Consolidated Statement of Income

(Millions of Yen)	FY2016 16/10-12 Results	FY2017 17/10-12 Results	Increase /Decrease
Net Sales	66,612	99,847	33,235
Electronic Devices	56,228	88,225	31,997
Electronic Systems	10,384	11,622	1,238
Cost of Sales	60,959	94,003	33,044
Gross Profit	5,653	5,844	191
Electronic Devices	3,906	4,120	214
Electronic Systems	1,747	1,723	(24)
Selling, general and administrative expenses	4,419	4,384	(35)
Personal expenses	2,736	2,606	(130)
Other	1,683	1,777	94
Operating income	1,233	1,459	226
Electronic Devices	872	1,036	164
Electronic Systems	363	426	63
Non-operating income	39	153	114
Equity in earnings of affiliates	118	102	(16)
Non-operating expenses	973	311	(662)
Foreign exchange losses	842	53	(789)
Ordinary income	299	1,301	1,002
Extraordinary income	2	5	3
Extraordinary loss	29	14	(15)
Income before income taxes and minority interests	273	1,292	1,019
Income taxes	45	367	322
Profit attributable to non-controlling interests	63	121	58
Profit attributable to owners of parent	164	803	639
Gross Profit Margin	8.5%	5.9%	-
Electronic Devices	6.9%	4.7%	-
Electronic Systems	16.8%	14.8%	-
Operating Profit Margin	1.9%	1.5%	-
Electronic Devices	1.6%	1.2%	-
Electronic Systems	3.5%	3.7%	-
Ordinary Profit Margin	0.4%	1.3%	-
Net Profit Margin	0.2%	0.8%	-

Consolidated Sales by Segment

(Millions of Yen)	FY2016 16/10-12 Results	FY2017 17/10-12 Results	Increase /Decrease
Total Electronic Devices	56,228	88,225	31,997
Semiconductors	51,590	83,272	31,681
Analog IC	11,875	16,227	4,351
Standard Logic IC	1,097	805	(292)
Memory IC	5,093	4,193	(900)
Micro-Processor	4,642	4,149	(493)
Special-Use IC	25,431	54,816	29,385
Custom IC	2,969	2,911	(58)
Other	482	171	(312)
Electronic Components	4,637	4,954	317
Total Electronic Systems	10,384	11,622	1,238
Space & Defense Electronics	1,501	1,200	(301)
Measurement & Inspection Equipment	3,909	4,191	282
Scientific Equipment	394	201	(193)
Laser Equipment	1,325	1,696	370
Medical Equipment	3,254	4,333	1,079
Total Net Sales	66,612	99,847	33,235

Consolidated Statement of Income (Forecast)

(Millions of Yen)	FY2016 Results	FY2017 Forecast	Increase /Decrease
Net Sales	270,698	326,000	55,302
Electronic Devices	220,184	274,000	53,816
Electronic Systems	50,513	52,000	1,487
Cost of Sales	250,085	304,100	54,015
Gross Profit	20,612	21,900	1,288
Electronic Devices	12,741	13,600	859
Electronic Systems	7,871	8,300	429
Selling, general and administrative expenses	17,729	17,400	(329)
Operating income	2,883	4,500	1,617
Non-operating income	705	700	(5)
Non-operating expenses	937	1,200	263
Ordinary income	2,651	4,000	1,349
Extraordinary income	1	0	(1)
Extraordinary loss	65	250	185
Income before income taxes and minority interests	2,587	3,750	1,163
Income taxes	535	1,250	715
Profit attributable to non-controlling interests	402	450	48
Profit attributable to owners of parent	1,650	2,050	400
Gross Profit Margin	7.6%	6.7%	-
Electronic Devices	5.8%	5.0%	-
Electronic Systems	15.6%	16.0%	-
Operating Profit Margin	1.1%	1.4%	-
Ordinary Profit Margin	1.0%	1.2%	-
Net Profit Margin	0.6%	0.6%	-

Consolidated Sales by Segment (Forecast)

(Millions of Yen)	FY2016 Results	FY2017 Forecast	Increase /Decrease
Total Electronic Devices	220,184	274,000	53,816
Semiconductors	204,418	256,026	51,609
Analog IC	51,060	58,630	7,570
Standard Logic IC	4,093	3,230	(863)
Memory IC	22,229	18,559	(3,669)
Micro-Processor	21,123	12,678	(8,445)
Special-Use IC	94,386	152,169	57,783
Custom IC	11,040	10,328	(712)
Other	487	431	(55)
Electronic Components	15,768	17,974	2,206
Total Electronic Systems	50,513	52,000	1,487
Space & Defense Electronics	5,000	5,745	745
Measurement & Inspection Equipment	19,849	19,264	(585)
Scientific Equipment	804	1,558	754
Laser Equipment	5,453	7,144	1,690
Medical Equipment	19,407	18,290	(1,117)
Total Net Sales	270,698	326,000	55,302

Consolidated Statements of Income (Quarterly)

(Millions of Yen)	FY2016					FY2017		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410	99,847
Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243	88,225
Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167	11,622
Cost of Sales	53,366	66,041	60,959	69,718	250,085	65,594	94,008	94,003
Gross Profit	3,389	4,944	5,653	6,625	20,612	4,869	5,402	5,844
Electronic Devices	2,131	3,056	3,906	3,647	12,741	3,528	3,529	4,120
Electronic Systems	1,257	1,887	1,747	2,978	7,871	1,340	1,872	1,723
Selling, general and administrative expenses	4,440	4,328	4,419	4,540	17,729	4,218	4,300	4,384
Operating income	(1,050)	615	1,233	2,085	2,883	651	1,102	1,459
Electronic Devices	(993)	9	872	559	448	541	426	1,036
Electronic Systems	(54)	608	363	1,528	2,445	112	678	426
Non-operating income	360	102	39	202	705	167	151	153
Non-operating expenses	105	116	973	(257)	937	166	591	311
Ordinary income	(796)	601	299	2,545	2,651	652	662	1,301
Extraordinary income	-	0	2	(1)	1	0	(0)	5
Extraordinary loss	4	13	29	18	65	17	193	14
Income before income taxes and minority interests	(800)	588	273	2,526	2,587	635	468	1,292
Income taxes	(203)	201	45	490	535	204	263	367
Profit attributable to non-controlling interests	66	101	63	170	402	128	117	121
Profit attributable to owners of parent	(664)	284	164	1,865	1,650	302	87	803
Gross Profit Margin	6.0%	7.0%	8.5%	8.7%	7.6%	6.9%	5.4%	5.9%
Electronic Devices	4.4%	5.3%	6.9%	6.2%	5.8%	5.7%	4.0%	4.7%
Electronic Systems	14.3%	14.0%	16.8%	16.6%	15.6%	16.1%	16.8%	14.8%
Operating Profit Margin	-	0.9%	1.9%	2.7%	1.1%	0.9%	1.1%	1.5%
Ordinary Profit Margin	-	0.8%	0.4%	3.3%	1.0%	0.9%	0.7%	1.3%
Net Profit Margin	-	0.4%	0.2%	2.4%	0.6%	0.4%	0.1%	0.8%

Consolidated Sales by Segment (Quarterly)

(Millions of Yen)	FY2016					FY2017		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Total Electronic Devices	47,991	57,544	56,228	58,420	220,184	62,118	88,243	88,225
Semiconductors	44,601	54,124	51,590	54,103	204,418	58,222	84,528	83,272
Analog IC	12,083	12,504	11,875	14,598	51,060	15,449	15,599	16,227
Standard Logic IC	1,044	1,144	1,097	808	4,093	859	808	805
Memory IC	5,473	6,327	5,093	5,335	22,229	5,437	6,494	4,193
Micro-Processor	5,534	5,203	4,642	5,744	21,123	3,436	3,250	4,149
Special-Use IC	17,570	26,429	25,431	24,956	94,386	30,076	55,097	54,816
Custom IC	2,723	2,473	2,969	2,875	11,040	2,843	2,965	2,911
Other	175	43	482	(214)	487	122	314	171
Electronic Components	3,391	3,421	4,637	4,318	15,768	3,896	3,715	4,954
Total Electronic Systems	8,764	13,441	10,384	17,924	50,513	8,345	11,167	11,622
Space & Defense Electronics	800	968	1,501	1,730	5,000	897	1,068	1,200
Measurement & Inspection Equipment	4,282	5,971	3,909	5,686	19,849	3,613	4,257	4,191
Scientific Equipment	79	80	394	250	804	47	366	201
Laser Equipment	1,022	1,211	1,325	1,895	5,453	1,158	1,762	1,696
Medical Equipment	2,580	5,211	3,254	8,363	19,407	2,631	3,715	4,333
Total Net Sales	56,755	70,985	66,612	76,344	270,698	70,464	99,410	99,847

Consolidated Balance Sheets (Quarterly)

(Millions of Yen)	FY2016				FY2017		
	Jun.30,2016	Sep.30,2016	Dec.31,2016	Mar.31,2017	Jun.30,2017	Sep.30,2017	Dec.31,2017
Current assets	95,941	98,418	109,910	113,711	112,428	132,509	122,835
Cash and deposits	11,998	10,966	12,559	12,584	13,482	15,840	11,813
Notes and accounts receivable-trade	49,995	60,710	65,313	65,443	63,827	78,373	72,641
Merchandise and finished goods	30,160	23,594	27,317	29,385	30,172	33,094	34,251
Work in process	192	193	316	291	427	408	286
Deferred tax assets	828	812	662	1,149	1,040	1,156	1,016
Other	2,858	2,218	3,811	4,947	3,565	3,652	2,838
Allowance for doubtful accounts	(92)	(77)	(70)	(90)	(87)	(17)	(12)
Noncurrent assets	10,985	10,966	12,027	12,273	12,341	12,263	12,590
Property, plant and equipment	3,139	3,177	3,484	3,549	3,511	3,523	3,521
Intangible assets	931	897	937	1,148	1,253	1,407	1,512
Investments and other assets	6,915	6,891	7,605	7,575	7,577	7,332	7,557
Total assets	106,927	109,385	121,938	125,984	124,770	144,773	135,426
Current liabilities	51,347	54,453	66,793	67,272	66,542	86,334	76,109
Notes and accounts payable-trade	24,704	29,401	33,186	37,987	34,829	40,171	40,498
Short-term loans payable	21,733	20,868	29,390	25,077	27,636	42,572	32,491
Current portion of long-term loans payable	114	113	112	112	112	112	112
Provision for bonuses	662	970	539	1,034	705	1,027	564
Other	4,132	3,099	3,564	3,060	3,258	2,450	2,442
Noncurrent liabilities	11,412	11,335	11,313	11,161	11,093	11,032	11,005
Long-term loans payable	9,073	9,045	9,017	8,988	8,960	8,932	8,904
Net defined benefit liability	1,818	1,773	1,748	1,586	1,555	1,510	1,477
Provision for directors' retirement benefits	84	88	92	96	100	101	104
Other	435	427	455	490	477	489	518
Total liabilities	62,760	65,788	78,107	78,434	77,636	97,367	87,114
Shareholders' equity	38,090	38,375	38,278	40,143	40,083	40,171	40,713
Accumulated other comprehensive income	466	(0)	546	1,563	1,376	1,427	1,603
Non-controlling interests	5,610	5,220	5,005	5,843	5,673	5,807	5,995
Total net assets	44,167	43,596	43,831	47,550	47,134	47,406	48,311
Total liabilities and net assets	106,927	109,385	121,938	125,984	124,770	144,773	135,426

Consolidated Statements of Cash Flows (Quarterly)

(Millions of Yen)	FY2016				FY2017		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net cash provided by (used in) operating activities	(6,494)	(6,505)	(9,863)	(5,894)	(728)	(12,672)	(6,060)
Income before income taxes and minority interests	(800)	(212)	61	2,587	635	1,104	2,396
Depreciation and amortization	93	188	285	394	99	199	301
Foreign exchange losses (gains)	(596)	(863)	1,680	911	(7)	356	425
Equity in (earnings) losses of affiliates	(120)	(212)	(331)	(455)	(89)	(193)	(296)
Decrease (increase) in notes and accounts receivable-trade	8,043	(3,385)	(7,932)	(6,972)	1,315	(13,240)	(7,454)
Decrease (increase) in inventories	(2,844)	3,510	(464)	(1,925)	(1,077)	(4,000)	(5,008)
Increase (decrease) in notes and accounts payable-trade	(11,449)	(6,398)	(2,737)	1,450	(3,016)	2,340	2,652
Other, net	1,497	1,370	429	(867)	1,643	1,258	1,883
Subtotal	(6,175)	(6,004)	(9,008)	(4,876)	(497)	(12,174)	(5,100)
Interest and dividends income received	175	181	241	253	204	215	296
Interest expenses paid	(58)	(128)	(211)	(320)	(119)	(280)	(468)
Income taxes paid	(437)	(557)	(888)	(956)	(317)	(441)	(799)
Income taxes refund	1	4	4	4	2	9	11
Net cash provided by (used in) investing activities	(734)	(607)	(1,155)	(1,862)	(359)	(557)	(749)
Net cash provided by (used in) financing activities	5,714	5,143	9,754	6,282	2,074	16,564	6,199
Effect of exchange rate change on cash and cash equivalents	(580)	(1,103)	(210)	(10)	(75)	(19)	(20)
Net increase(decrease) in cash and cash equivalents	(2,094)	(3,072)	(1,475)	(1,485)	910	3,316	(631)
Cash and cash equivalents at beginning of period	13,702	13,702	13,702	13,702	12,216	12,216	12,216
Cash and cash equivalents at end of period	11,607	10,629	12,226	12,216	13,084	15,489	11,541